

# An Unlevel Playing Field

## STRUCTURAL ECONOMIC CHALLENGES

### Section Summaries and Recommendations

#### Geography of Unequal Opportunity

Geography is clearly linked to economic status and opportunity: Some communities offer abundant high-paying jobs in expanding industries, while others are home to declining industries and primarily low-wage service jobs. Some places have high-quality schools, good housing stock, excellent transportation, and an appealing, clean environment, while others have few of these attributes. These differences may be stark in different regions of the country or in different neighborhoods within a metropolitan area.

Rather than allow such differences to perpetuate disparities among Americans, the Committee believes that the federal government can more effectively and efficiently stimulate local economic activity in less advantaged areas. We offer several policy recommendations to increase funding to hard-hit areas, improve coordination among federal, state, and local economic development efforts, and better target and evaluate federal programs like Opportunity Zones.

Summary of Select Committee Recommendations:

- **Support, monitor, and evaluate the most recently enacted place-based programs (RECOMPETE and Regional Technology Hubs).**
- **Reauthorize the U.S. Economic Development Administration (EDA).**
- **Enhance coordination of regional, rural, and urban economic development resources.**
- **Reform Opportunity Zones.**
- **Better Coordinate Assistance for Rural Areas.**

## Balance of Power Between Employers and Workers

Individual workers rarely, if ever, have the power that their employers do to determine their pay, benefits, working conditions, or job security. Labor laws and regulations play a key role in protecting employees' rights, safety, and opportunity. Such laws are especially important in ensuring that workers have the rights to collectively bargain, receive a fair paycheck, and are treated with dignity on the job.

Therefore, the Committee recommends a set of specific policies that support unions, increase the minimum wage, and fully fund those government agencies entrusted with looking after the welfare of the 160 million Americans who work for a wage or salary.

Summary of Select Committee Recommendations:

- **Support unions and collective bargaining.**
- **Raise the federal minimum wage.**
- **Strengthen the agencies that protect worker rights.**

## Economic Security Programs

Marc Morial, President of the National Urban League, testified that “We must invest in economic security programs, but in addition to simply investing in the number of people served — which is of paramount importance — it is just as important to ensure each program has the resources needed to reach the people they aim to serve, those who need it most.”

The Committee believes that the federal government should do more to ensure economic security for all Americans — especially our youngest. This would reduce disparities early in children's lives and grow the productive capacity of our economy.

The Committee supports strengthening, expanding, and modernizing existing programs like SNAP, UI, the CTC, and the EITC to deliver more effective support to more Americans, enabling them to achieve lasting self-sufficiency and preventing economic downturns from sabotaging future economic opportunity.

Summary of Select Committee Recommendations:

- **Restore the expanded CTC and EITC and make the expansions permanent.**
- **Increase the responsiveness of economic security programs.**

## Tax Policy

America's tax code, intended to raise sufficient government revenue to fund spending and to redistribute national income more fairly, fails to achieve either of these goals. Outlays in excess of revenues requires the federal government to borrow to pay for its programs and operations. Meanwhile, the structure of the tax code favors capital income over labor income and makes the distribution of income and wealth more unequal than it might otherwise be.

Summary of Select Committee Recommendations:

- **Harmonize the effective taxation of capital.**
- **Reduce tax subsidies that benefit mostly the rich.**
- **Raise more revenue.**

## Market Competition Policy

Increasing concentration and reduced competition in several sectors in recent years exacerbate disparities between wage- and price-setting businesses and most Americans. The Committee believes that antitrust policy has not kept up with changes in the economy.

Summary of Select Committee Recommendations:

- **Amend federal antitrust laws to make it easier for government enforcers and private plaintiffs to prove that firms have engaged in anti-competitive behavior.**
- **Provide the FTC and the Justice Department's Antitrust Division with more resources.**